6293.0.00.005 - Occasional Paper: Labour Market Outcomes of Low Paid Adult Workers, 1997

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New study on low paid adult workers

Changes in the labour market situation and earnings of low paid adult workers during the period 1995 to 1997 is the main focus of a new study by Yvonne Dunlop, a PhD scholar from Victoria University (Melbourne). The data for the study are drawn from the Australian Bureau of Statistics longitudinal Survey of Employment and Unemployment Patterns, which traced the same individuals over a number of years.

Major findings of the study include:

- At September 1995, approximately 1 million adult wage and salary earners worked for low pay. Those who were the most likely to be low paid included adults who had never been married, women, workers with low educational levels or poor English proficiency, those working in small firms, casually employed workers and people in low skilled occupations.
- While almost half (45%) of low paid adult workers moved to higher pay within a year, just over a third (36%) stayed low paid. A further 13% of low-paid workers were jobless after a year; this compares with 6% of higher paid adult workers.
- Recent joblessness has a negative impact on labour market outcomes. Some 29% of low paid adult workers who had experienced a recent spell of joblessness or underemployment were jobless after a year; this is more than twice the rate for low paid adult workers in general (13%) and more than four times the rate for higher paid adult workers (6%).
- Some groups of low paid workers are more likely to move to better pay - for example, workers aged 30 or under are estimated to have a 14% better chance than older workers of moving to higher pay. Similarly, workers living in urban areas have an 18% better chance of improving their pay position than do those living in non-urban areas. Among those who had experienced a recent spell of joblessness or underemployment, job related factors such as firm size and sector of employment also have an important influence on their ability to move out of low pay.

Details are in **Labour Market Outcomes of Low Paid Adult Workers** (cat. no. 6293.0.00.005) which is available from ABS bookshops. The views expressed in this Occasional Paper are those of the author, and do not necessarily represent those of the ABS nor Victoria University.

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